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Reflections of Culture in Global Corporate Web Sites

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Abstract

Hofstede (1980) found that national cultures differ along several dimensions. He believed that national cultural values and differences have existed for a long period of time and are stable. Subsequent research has both confirmed and challenged the validity of Hofstede's conclusions for the long term. With the advent of the Internet and related networking and communication technologies, many have speculated that the ubiquitous nature of these technologies has a homogenizing effect and contributes to cultural convergence.

The main objective of this study is to determine if differences in national culture are evident in the web sites of global corporations or if national cultures, as reflected through these web sites, have converged as a result of Internet usage.

Introduction and Literature Review

Culture can be defined as a shared set of values that influence societal perceptions, attitudes, preferences, and responses. Reviewing the literature (for overviews see Adler et al., 1986, and Ronen and Shenkar, 1985) Hofstede's (1980) typology of culture is one of the most widely accepted and frequently cited theories (Sondergaard, 1994). Hofstede found that national cultures differ along the following five dimensions: power distance, uncertainty avoidance, individualism, masculinity, and long term orientation.

Power distance can be defined as the extent to which less powerful members of a society accept and expect that power is distributed unequally. In large power distance cultures, there are strong dependency relationships between parents and children, bosses and subordinates, professors and students. In small power distance cultures, children are raised to be independent at a young age.

Uncertainty avoidance refers to how people respond to uncertainty, ambiguity, and environmental threats. It also addresses the issues of control and security (Hofstede 1989, 1991). Societies characterized by high uncertainty avoidance tend to create organizations that are formal and very structured (Hofstede, 1980). The defined nature of the hierarchy provides comfort to employees confronted with uncertainty and it establishes a formal control mechanism. This type of response provides a type of

crutch or a coping mechanism for fearful people. At the other extreme, people in countries where uncertainty avoidance is low prefer flexible, ad hoc structures. In these countries, people dislike rigid rules and formal hierarchies and enjoy the challenges presented by a dynamic environment.

The contrast of **individualism** versus **collectivism** can be defined as people looking after themselves and their immediate family only versus people belonging to in-groups that look after them in exchange for loyalty. In individualistic cultures, one's identity is within oneself, people are self-conscious, and private opinions are expressed. Self-actualization is important and individual decisions are valued more highly than group decisions. In individualistic cultures, people give priority to the task while in collective cultures priority is given to relationships with people. In collective cultures, people are 'we' conscious. Identity is based on the social system to which they belong and avoiding loss of face is important because when one does something wrong, it reflects not only on one's self, but also on the group to which one belongs. Members of collectivist cultures emphasize goals, needs, and views of the group over those of the individual. The social norms of the group are favored over individual pleasure, and shared in-group beliefs over unique individual beliefs.

The dominant values in a **masculine** society are achievement and success. The dominant values in a **feminine** society are caring for others and quality of life. In masculine societies, performance and achievement are important. Status is important in order to show success. There is a tendency to polarize. Thus, big and fast are beautiful. Feminine societies are more service oriented and have a people orientation. Small is beautiful and there is a tendency to strive for consensus. Quality of life is more important than winning. In masculine cultures, children learn to admire the strong. In feminine cultures, children have sympathy for the weak. The masculine versus feminine dimensions discriminate between cultures particularly with respect to values related to winning, success, and status.

Long term orientation relates to how people view time. In some cultures, there is a significant time lapse between making a decision and the related action. In others, people make quick decisions and expect rapid responses. Some cultures tend to be future oriented where

the future is a guide to present action although the time horizon is short-term. Other cultures are past oriented and believe in preserving history and continuing past traditions (DeMooij, 1998). Yet other cultures deal with time in a dialectical way which means that at no given time – past, present or future - is it possible to isolate that time from the events that led up to it and flow from it. Cultures with a linear time concept where time is dealt with as something intangible, will be motivated by timesaving appeals.

Hofstede (1980) classified countries into the following six clusters based on cultural commonalities and similar histories:

- Anglo Cluster. These are countries descended from the British Empire and speak English. Countries in this cluster include Australia, Canada, Great Britain, Ireland, New Zealand, South Africa, and USA.
- Nordic Cluster. These countries that share the influence of the Hanseatic League (a trade association) and include Denmark, Finland, Netherlands, Norway and Sweden.
- German Cluster. These countries speak German and include Austria, Israel, Germany, and Switzerland. Israel is included in the German cluster because of the large number of northern European Jews who immigrated to Israel in the 30's and after World War II.
- Latin Cluster. These countries descended from the Roman Empire and include Belgium, Brazil, France, Italy, Mexico and Spain.
- Asian Cluster. These countries share the influence of the Chinese majority and include Hong Kong, India, Malaysia, Philippines, and Singapore.
- Japan. Japan is an independent cluster because its culture and development is not similar to any other country.

The cultural dimensions of each cluster follow:

Cultural Dimension	Anglo	Nordic	Latin
Power Distance	LM	L	H
Uncertainty Avoidance	LM	LM	H
Individualism	H	MH	M
Masculinity	H	L	M
Long-term Orientation	L	LM	MH

Cultural Dimension	German	Asian	Japan
Power Distance	L	H	M
Uncertainty Avoidance	MH	L	H
Individualism	M	L	M
Masculinity	H	M	H
Long-term Orientation	L	M	H

Legend: L = Low; LM = Low-Medium; M= Medium; MH=Medium High; H-High

The question one must ask is whether Hofstede's typology is still valid today. Hofstede believed that cultural values and cultural differences between countries have existed for a long period of time and are stable. Subsequent research confirming Hofstede's conclusions includes Barkema and Vermeulen (1997). However, there are also those who would argue that Hofstede's conclusions are not valid for the long term (Nordstrom, 1991; Ohmae, 1985; Levitt, 1983; O'Reilly, 1991). These authors suggest that societal practices and cultural values are converging and, as a result, cultural differences are no longer relevant and Hofstede's dimensions are no longer valid in explaining cultural differences. While it is true that there does appear to be some convergence in terms of societal practices (for example, the world consumption of Coca-Cola and McDonald's hamburgers) it is not clear if core cultural values are changing.

More recently, with the advent of the Internet and related networking and communication technologies, many have speculated that the ubiquitous nature of these technologies has a homogenizing effect and contributes to cultural convergence. A corporate web page represents an organization's window into this connected, global, electronic world. The Internet provides a stiff challenge to multinational corporations accustomed to advertising and selling in national markets where they are able to use different messages and brand images to reflect the language and cultural patterns of each country. If indeed the Internet is having a homogenizing effect, this should be evidenced in corporate web pages. Conversely, there should be no evidence of Hofstede's five dimensions of culture in corporate web pages.

The main objective of this study is to determine if differences in national culture are evident in the web sites of global corporations or if national cultures, as reflected through these web sites, have converged as a result of Internet usage. This type of evidence can potentially confirm or reject the validity of Hofstede's typology in today's online environment.

Methodology

Based on the literature, online cultural indicators were identified for each of the five dimensions of culture created by Hofstede. In developing this collection of indicators, we relied heavily on, and attempted to capture the essence of the factors identified and used by Hofstede, adopting and extending them as necessary to fit the online global environment. For example, Hofstede's masculinity dimension is characterized by the extent to which a culture reflects values such as caring for others, preservation of societal norms, environmental conservation, and sympathy for the weak. One possible online cultural indicator in this case is the presence of

evidence of cultural sensitivity and social responsibility activities on an organization's web site. A survey instrument was developed containing a series of demographic questions along with the online cultural indicators.

Fortune Magazine annually publishes a list of the 500 largest global corporations. We selected our sample of companies from that source. The country in which corporate headquarters is located was used to assign each company to the appropriate country cluster as identified by Hofstede (1980). The fifteen largest corporations in each cluster, for a total of 90 corporations, were included in the sample.

For each corporation in the sample we collected data responding to the demographic questions in the survey from public sources, the company's web site, as well as Fortune Magazine. The web site of each sample company was then examined to determine the presence of the online cultural indicators providing evidence to answer the cultural homogenization question.

Discussion

Obviously, culture is very important to success in IS at many levels. Global corporations doing business (including building, managing, and servicing information systems) across the world without proper consideration of the differences in culture do so at their own peril. If this study does not find continued support for Hofstede's typology in the Internet world, then the implication will be that the cultural considerations that are important in that environment are different from those in the traditional business environment - at least from the point of view of these large multinationals. This will not mean that the multinational corporations that we are studying are justified or right in presenting a more homogeneous image through their web pages. People (and potential employees, managers, and consumers) around the world may feel very differently about whether or not their cultures are (or should be) moving in that direction.

This research will establish whether or not the web sites of these large multinational corporations are indicating cultural convergence. It is not the purpose of this research to pursue whether or not that is the right approach for the corporations to follow. Additional research will be needed to provide answers for that issue.

It is generally understood that culture changes over time all be it slowly. The significance of past research based on Hofstede's work will remain valid for the time period for which it was conducted. However, we live in a dynamic environment and the Internet and related-technologies are rapidly making this a more connected

world. The question then is, what is the impact of this phenomenon on culture, and conversely, how is culture impacting the way we conduct business, communicate, and interact in a global environment.

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